



CONGRESSIONAL HEARING RESUME

106TH Congress

Date: 28 Feb 00

SUBJECT: Field Hearing on TRICARE, Ft Bragg N.C.

COMMITTEE: Subcommittee on Military Personnel, House Armed Services Committee

CHAIRMAN: The Honorable Steven Buyer

MEMBERS PRESENT (bold face):

REPUBLICANS

Steven Buyer, (R-IN)
Roscoe Bartlett, (R-MD)
J.C. Watts, (R-OK)
William Thornberry, (R-TX)
Lindsey Graham, (R-SC)
Jim Ryun, (R-KS)
Mary Bono (R-CA)
Joe Pitts, (R-PA)
Robin Hayes, (R-NC)
Steven Kuykendall, (R-OH)

DEMOCRATS

Neil Abercrombie, (D-HI)
Marty Meehan, (D-MA)
Patrick Kennedy, (D-RI)
Loretta Sanchez (D-CA)
Cynthia McKinney (D-GA)
Ellen Tauscher, (D-CA)
Mike Thompson, (D-CA)
John Larson, (D-CT)

Non Subcommittee Members attending included **Rep McIntyre, D-NC**

WITNESSES: See next page

Information contained in this resume was obtained during an open hearing. It will not be released outside of the Department of Defense (DOD) agencies until published hearing transcripts have been released by the Committee, and only to the extent it is in accord with published hearing procedures.

Prepared by: Lt Col Brad Oswalt

Date: 29 Feb 00

Ext: 697-9110

WITNESSES

Panel One

Sgt Timothy Togiai, US Army
82nd Airborne Division

LCDR Jamie Otto, US Navy
USS Theodore Roosevelt

**Senior Airman Glenn McClelland, USAF
Weapons Loader, Pope AFB, NC**

Maj Scott Fazekas, USMC
11 Marine Expeditionary Force

Mrs Alice Maffey, Army Spouse

Mrs Glenn Butler, Army Spouse

**Mrs Margorie McClain, USAF Spouse
Pope AFB, NC**

Mrs Tracey Fazekas, Marine Spouse

Panel Two

HMC Randy Reichler, US Navy (Ret)

CMSgt John Tucker, USAF (Ret)

Lt Col Bob Garman, US Army (Ret)

MSgt Russell Farmer, USAF (Ret)

Panel Three

RADM Balsam, USN
TRICARE Lead Agent, Region 2

Mr James Ford
Regional Vice President, Anthem Alliance
TRICARE Contractor

Dr Michael Bryant, MD
President, Sand Hill Associates

Mr Steve Dickson
Village Surgical Services

Mr John Heckert
Practice Administrator
Cumberland Anesthesia

Panel Four

Brig Gen Gottardi, USA
Commander, XVIII Airborne Corps Artillery
Ft Bragg, NC

RADM Chris Cole, USN
Commander, Navy Region Mid-Atlantic, Norfolk, VA

Brig Gen Norman Seip, USAF
Commander, 4th Fighter Wing, Seymour Johnson AFB, NC

Maj Gen Braaten, US Marine Corp
Commanding General, Marine Corp Air Bases East
Cherry Point, NC

Command Sgt Major Butts, US Army
Ft Bragg NC

Master Chief Nemeth, USN
Norfolk VA

MSgt Janet E Murry, USAF
First Sergeant, 43 Civil Engineering Squadron
Pope AFB, NC

EXECUTIVE SUMMARY

The Subcommittee heard the fields' perspective of the TRICARE system throughout Region Two encompassing North Carolina and most of Virginia. Stories of lengthy appointment backlogs, poor support from the 1-800 appointment number in Virginia, and horrendous claims processing errors punctuated testimony. Active duty military personnel stated TRICARE problems hurt morale, damaged credit ratings due to unpaid bills, and contributed to retention problems. Retirees complained that they were promised lifetime health care and DoD is not living up to that promise. Retirees indicated a national mail order pharmacy would be a great help. Mr Buyer stated we are struggling to "keep the faith," but that different definitions of adequate retiree care make success in this arena difficult. The TRICARE lead agent said that predictable funding is critical for health care. Mr Buyer commented that DoD's budget models are inaccurate and need to be improved. Mr Buyer said he was shocked that administration of TRICARE claims costs DoD between \$8 and \$15 compared to approximately \$1 for Medicare. He said this wastes potentially \$400M annually and promised the HASC would "take this one on."

The hearing opened at 0905.

Chairman Buyer's Opening Remarks

- Rightsizing has made access to health care difficult. Last year we fixed retirement and boosted pay, now must address health care

Rep Abercrombie:

- Noted that quality health care is critical to recruiting and retention
- Need to improve TRICARE, not go to a new system

Rep McIntyre:

- Knows the White House budget proposal does not do enough for military health care

PANEL ONE: Active Duty and Spouses

All witnesses complained that appointments were difficult to arrange through a regional 1-800 number and preferred local appointment capability. Mr Abercrombie didn't understand why we simply don't switch to local appointments to improve the system immediately.

LCDR Otto

- Multiple TRICARE programs confuse many personnel
- Appointment support is lacking--delays are common place

Senior Airman McClelland

- PCS'ed from Eielson to Pope AFB. During move his son became ill, different regions never figured out who should pay his bill and damaged his credit rating

Mrs McClain, USAF Spouse

- Told story of 16 month process to process a \$1500 claim. Was bounced from office to office in TRICARE with no support.

Mr Buyer

- Commented that problems tend to diminish as TRICARE becomes more established in each region. Growing pains are repeated in each location

Mr McIntyre:

- Commented all of this comes down to “accessibility, accountability, and affordability”

PANEL TWO: Retirees

Retirees agreed that the military promised lifetime care. Retirees generally agreed that Medicare subvention was a good idea and expanded pharmacy benefits would a great benefit to older retirees. Most agreed that local care was outstanding once they gained entry to a military treatment facility.

Mr Buyer

- Commented that his Hoosier common sense told him we shouldn't expand FEHBP until we get credible test results. Stated that he doesn't think retirees understand that FEHBP would be a costly program for individual retirees
- Commented that Medicare subvention was supposed to be revenue neutral for DoD, but it actually costs approximately \$2000 per beneficiary
- Told retirees that we're in the third year of pharmacy redesign and we plan on using the savings to expand the over 65 benefit

Mr Abercrombie

- Commented that Medicare Subvention was best--over 65's go to MTF's just like everyone else and Medicare reimburses DoD

PANEL THREE: Lead Agent/Local Health Care Providers

The TRICARE Lead Agent stated claim processing was still a problem, but improving. She also indicated that predictable funding would help the system and commented that a National Enrollment Database through DEERS would eliminated portability problems. Providers complained about poor claims processing ultimately led to bill collectors pursuing military members when claims aren't paid. They also complained of conflicting guidance from TRICARE that complicates claims processing

RADM Balsam

- Stated that we should make Senior Prime a worldwide program immediately

Mr Buyer

- It is unacceptable that our soldier, sailors, airmen, and marines are used to leverage TRICARE by receiving bills for problem claims. They should face this problem unless the member didn't pay a bill they actually owe--not TRICARE's bills
- Was shocked that DoD administrative costs were \$8-15 to process a claim vs \$1 for Medicare. Commented that we must solve this even if we must make a substantial upfront investment to correct this problem in the long run

Mr Abercrombie

- Prevention saves money--we need to improve access to TRICARE to save money in this system

PANEL FOUR: Line Commanders and senior NCOs

All agreed that TRICARE problems hurt morale and were unacceptable. Most felt local health care was outstanding once access was achieved. Claims processing was a universal complaint.

Brig Gen Seip

- Commented that TRICARE had a rocky start at Seymour Johnson, but was improving
- Said that the provider network was marginal since Seymour Johnson was very rural and at the extreme edge of most specialty care access

The hearing was adjourned at 1345